

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRACT AMENDMENT PROCEDURES

REQUESTING AN ACTUARIAL VALUATION

The [Optional Benefits Listing \(PERS-CON-40\)](#) provides basic information on the optional benefits available to contracting agencies and employer cost information. For some optional benefits the employer cost varies and an actuarial valuation is required.

If the proposed benefit requires an actuarial valuation, an authorized representative of the agency or employee organization may mail or fax the written request for an actuarial valuation. The cost analysis furnished for each valuation requested will provide the expected increase to the employer contribution rate if the contract is amended. To request an actuarial valuation, the following information is needed:

1. The Government Code Section number and the title as it appears in the Optional Benefits Listing; and
2. The member groups to which the benefits are to apply, e.g., miscellaneous members, all safety members, police members only, fire members only, county peace officers only, or sheriffs only.

An agency cannot provide different retirement benefits for any subgroup, including, but not limited to bargaining units or non-represented groups within the membership classifications listed above (Section 20479), with the exception of Employer Paid Member Contributions Converted to Payrate During the Final Compensation Period (Section 20692).

Agencies and Employee Organizations – direct the request to:

California Public Employees' Retirement System (CalPERS)
Employer Services Division
Retirement Contract Services Unit
P.O. Box 942709
Sacramento, CA 94229-2709

Telephone: **888 CalPERS** (or 888-225-7377)
FAX: (916) 795-3005

Actuarial valuations for public agency contract amendments cost \$300 each. Actuarial valuations for the establishment of new public agency contracts with CalPERS \$900 cost each. The agency or employee organization will be sent an invoice after the valuation is completed. *Payment should not be submitted prior to receipt of the billing invoice.*

Agencies requesting amendment or new agency valuations must provide the applicable employee organization or organizations with a copy of each valuation within five days of receipt. Likewise, employee organizations requesting amendment or new agency valuations must provide the agency with a copy of each valuation within five days of receipt.

AMENDING THE CONTRACT

Retirement Contract Services Unit will provide the documents for adoption by the agency's governing body. If the agency attempts to expedite the amendment process by proceeding without the documents provided by CalPERS, legal review would be required which could delay the anticipated effective date of the amendment.

If an actuarial valuation is not required for the optional benefit, contact the Employer Contact Center at **888 CalPERS** (or **888-225-7377**). The Employer Representative assigned to your agency will prepare the initial documents and will provide them to you within 30 days of your request. If an actuarial valuation is required, a contract amendment request form to complete and return will be provided with the valuation report. The initial documents will be provided to you within 30 days of receiving the completed contract amendment request form.

The initial set of documents includes a Resolution of Intention declaring the agency's intent to amend the contract, an exhibit copy of the amended contract, various certification forms, ballots when required, and detailed instructions.

Follow the instructions precisely, call if you have questions and return the necessary documents promptly.

The final set of documents includes two original contracts as amended for execution by the governing body and any other forms necessary to complete the amendment. The completed documents will be reviewed for compliance with the Government Code and one of the two original contracts signed by the agency will be returned to the agency after it has been executed by CalPERS.

EMPLOYEE ELECTIONS

An amendment to the contract, which changes the employees' rate of contribution, requires a secret ballot election among the employees affected. The contract cannot be amended if a majority of the affected members vote to disapprove the proposed plan. This election must follow adoption of the Resolution of Intention and precede adoption of the final documents.

PUBLICATION OF COSTS

Government Code Section 7507 requires the future annual costs of the proposed contract amendment be made public at a public meeting at least two weeks prior to adoption of the final documents.

FINAL ACTION

Government Code Section 20471 requires adoption of the final documents (final reading of the ordinance – counties, cities or towns; final resolution – districts or other agencies) be no earlier than 20 days after adoption of the Resolution of Intention to amend the contract.

AMENDMENT EFFECTIVE DATE

No change in employee or employer contribution rates – the effective date of the amendment may be as early as the day following the effective date of the final action of the governing body.

Change in employee or employer contribution rates – the effective date of the amendment cannot be earlier than the first day of a payroll period following the effective date of the final action of the governing body.

OPERATIVE DATE

Amendments which require an adjustment to the retiree/beneficiary monthly benefit payments shall become operative the first of the month following the date which is 30 days after receipt of the final documents in the CalPERS Sacramento office.